

Q1

2016 Activities Report



Quarterly Report

For the period ending 31 March 2016

HIGHLIGHTS

- ◆ **Nido's net production from the Galoc oil field during the first quarter was 283,170 bbls on a 55.88% participating interest basis**
- ◆ **Production uptime for the Galoc oil field was 99.93% during the quarter and average gross daily production was 5,569 bopd (3,112 bopd net to Nido)**
- ◆ **Cargo 50 was lifted on 13 February 2016 with the total lifted volume of 354,340 (198,003 bbls net to Nido)**
- ◆ **Cyclical production continued from the Nido and Matinloc oil fields (7,955 bbls net to Nido)**
- ◆ **Nido completed a restructure of its Facility Agreement with the Bangchak Petroleum Public Company Limited**

I am pleased to provide to you the following summary of the Company's activities for Q1 2016.

Galoc up-time was 99.93% for the quarter with gross average daily oil production of 5,569 bbls (3,112 bopd on a net to Nido basis) with total production of 506,751 bbls (283,170 bbls net to Nido).

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis during the quarter. Oil production from these fields totalled 30,483 bbls (7,955 bbls net to Nido).

During the quarter the Department of Energy approved the Company's request for a moratorium and an amendment to the Sub-Phase 3 Work Program for SC 63.

The Galoc Joint Venture continued to progress sub-surface and preliminary engineering studies and is still considering a possible appraisal well in the mid-Galoc area of the field to confirm the commerciality of a potential Phase III development project.

The Company also continued to evaluate exploration, development and production assets in the region and is considering a number of assets in this context.

Nido successfully completed a restructure of its Facility Agreement with the Bangchak Petroleum Public Company Limited.

Under the terms of the restructure principal and interest payments are deferred until March 2018 and the facility interest rate no longer increases by 2% per year but is capped at 6% plus LIBOR.

The restructure therefore provides the Company with flexibility to manage its cashflow requirements over the next 2 year period and secures the Company significant savings in interest payments over the life of the loan.

A handwritten signature in black ink, appearing to read 'Mike Fischer'.

DR MIKE FISCHER
MANAGING DIRECTOR

FINANCIAL AND CORPORATE

LIFTING SUMMARY	Qtr 1 2016	Year-to-date 2016	Previous Qtr Q4 2015
Volumes - Lifted & Sold (stb)			
Service Contract 14:			
Galoc oil field (net to Nido)	198,003	198,003	399,539
Nido & Matinloc oil fields (net to Nido)*	4,125	4,125	11,469
TOTAL VOLUMES LIFTED & SOLD	202,128	202,128	411,008
FINANCIAL SUMMARY			
Cash Inflows—US\$ '000			
Receipts from sale of crude oil	13,046	13,046	8,762
Interest & other	899	899	46
Refund of development expenditure	379	379	-
Proceeds from debt facility	-	-	-
TOTAL CASH INFLOWS	14,324	14,324	8,808
Cash Outflows—US\$ '000			
Exploration expenditure	(572)	(572)	(924)
Development expenditure	-	-	-
Production OPEX	(10,697)	(10,697)	(5,341)
Income taxes	-	-	(1,680)
Repayment of borrowings & financing costs	(14,373)	(14,373)	(512)
Administration & other expenses	(1,110)	(1,110)	(1,216)
Foreign exchange movement & other	(10)	(10)	(11)
TOTAL CASH OUTFLOWS	(26,762)	(26,762)	(9,684)
Cash Position – US\$ '000			
Cash on Hand	5,093	5,093	17,531
Debt – Secured Debt Facility	(78,200)	(78,200)	(88,200)

* Nido and Matinloc figures are subject to change based on the latest lifting/production volume adjustment from the Operator

Nido ended the quarter with cash on hand of US\$5.1 million and debt outstanding of US\$78.2 million.

INFLOWS

Galoc production was steady and cash inflows from crude oil sales totalled US\$13.0 million with receipts from 2 cargoes received in the reporting period. There were no cash receipts received from the Nido/Matinloc oil fields for this quarter.

Interest & other inflows include an amount of US\$0.898 million received on settlement of 2 crude oil hedge put options during the quarter. Funds were received as a result of the put option strike prices being higher than the average Brent oil price for the months of December 2015 and February 2016.

During the quarter Nido received a cash inflow of \$US0.379 million from the Galoc Joint Venture. This represents a refund of excess cash call funds held by the Joint Venture at the completion of the Galoc Phase II development.

OUTFLOWS

Cash outflows from production operations at the Galoc oil field and the Nido/Matinloc oil fields amounted to US\$10.3 million. Cost of crude oil hedge put options amounted to US\$0.4 million.

Cash outflows for exploration activities of US\$0.6 million relate mainly to new venture and exploration activity.

Payment of interest and other financing relates to the renegotiation of the Facility Agreement with the Bangchak Petroleum Public Company Limited ('BCP') with the total cost of US\$14.4 million comprised of a principal repayment of US\$10.0 million and \$4.4 million in interest payments.

There were no income tax expense payments and general administration expenditure totalled US\$1.1 million for the quarter.

FINANCIAL AND CORPORATE
PRELIMINARY (UNAUDITED) Q1 FINANCIAL INFORMATION

Nido has provided preliminary Q1 financial information to BCP Energy International Pte Ltd ('BCPE') for their quarterly reporting process. The preliminary financial information is unaudited and subject to change and is set out in the following table:

<i>Statement of Comprehensive Income for the three months ending 31 March 2016 (US\$ '000)</i>	31 March 2016
Revenue from sale of crude oil	6,544
EBIT	(5,073)
Net (loss) for the quarter ended 31 March 2016	(6,049)
 <i>Balance Sheet as at 31 March 2016 (US\$ '000)</i>	
Current Assets	23,582
Non-current Assets	141,353
Current Liabilities	20,966
Non-current Liabilities	108,122
Net Assets	35,847
 <i>Statement of Cash Flows for the three months ending 31 March 2016 (US\$ '000)</i>	
Net cash (used in) operating activities	(2,327)
Net cash (used in) investing activities	(101)
Net cash (from) financing activities	(10,000)

PRODUCTION AND DEVELOPMENT—Philippines

SERVICE CONTRACT 14C1 - GALOC OIL FIELD

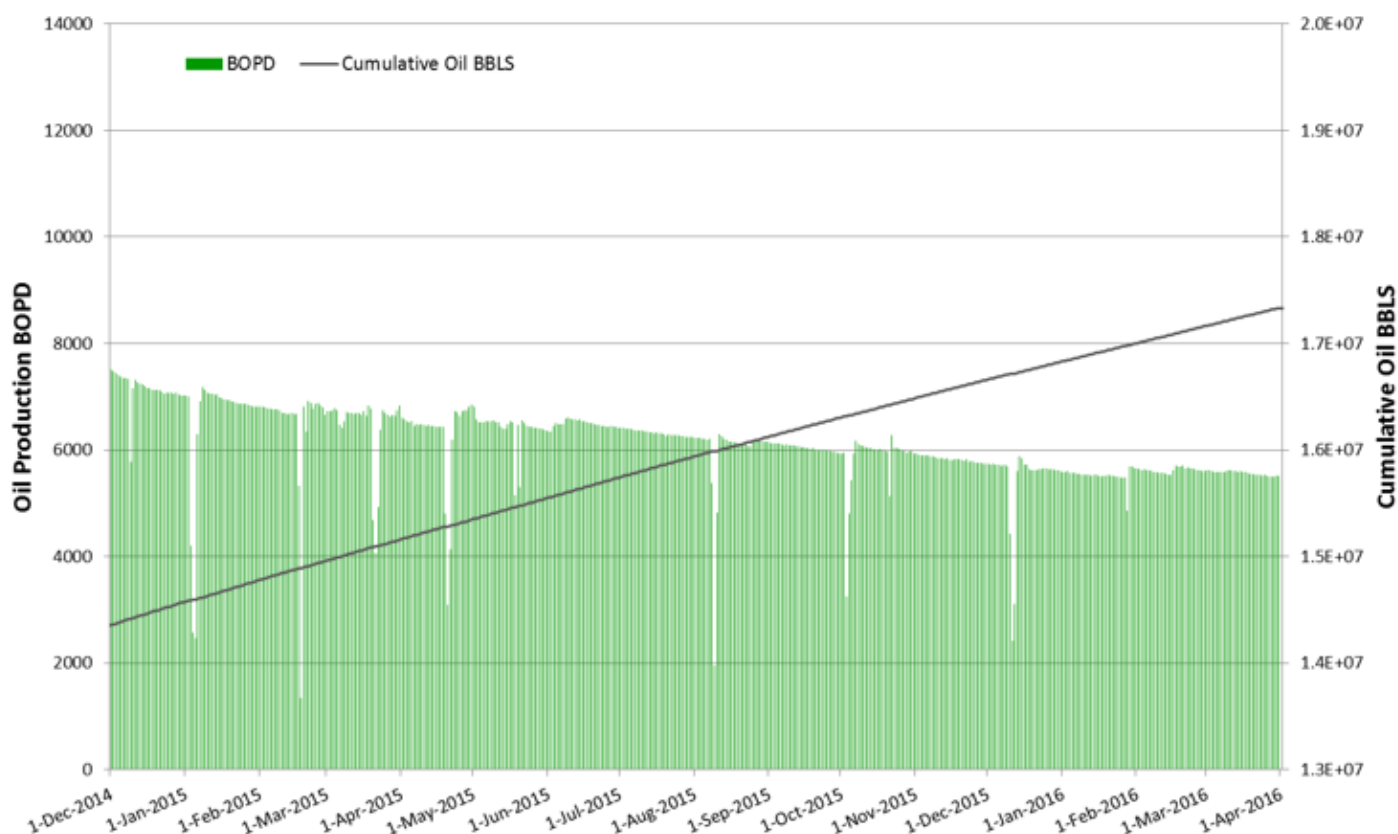
Location:	Palawan Basin, Philippines		
Area:	16,000 hectares	Operator:	Galoc Production Company W.L.L.
Nido's Interest:	55.88%	Activity:	Galoc Production

Gross production from the Galoc oil field during the quarter was 506,751 bbls (283,170 bbls net to Nido) with a gross average production rate of 5,569 bopd (3,112 bopd net to Nido).

Cargo 50 was lifted on 13 February 2016 with 354,340 bbls (198,003 bbls net to Nido) with a realised FOB price of US\$31.27 per bbl. Cargo 50 was sold to SK Energy in South Korea.

The Joint Venture is still considering a possible appraisal well in the mid-Galoc area to confirm the commerciality of a potential Phase III development. In this context the Joint Venture continued to progress relevant sub-surface and preliminary engineering studies.

Galoc Daily Oil Production



PRODUCTION AND DEVELOPMENT—Philippines

SERVICE CONTRACT 14C2 - WEST LINAPACAN A

Location:	Palawan Basin, Philippines		
Area:	18,000 hectares	Operator:	Philodrill Corporation
Nido's Interest:	22.28%	Activity:	Re-development of the West Linapacan 'A' field

The Philodrill Corporation as Operator of the Joint Venture continued to carry out a review and status audit of Joint Venture activities following the removal of RMA West Linapacan Pte Ltd from the Service Contract. Nido continues to explore ways to maximise value from the asset and is considering whether there are any potential low cost development opportunities.

SERVICE CONTRACT 14A & 14B - NIDO & MATINLOC OIL FIELDS

Location:	Palawan Basin, Philippines		
Area:	68,000 hectares	Operator:	Philodrill
Nido's Interest:	Block A 22.49% Block B 28.28%	Activity:	Production

The Nido and Matinloc oil fields continued to produce oil on a cyclical basis during the quarter. Oil production from these fields totalled 30,483 bbls (7,955 bbls net to Nido). A total of 15,726 bbls (4,125 bbls net to Nido) was lifted and sold during the quarter.

EXPLORATION AND APPRAISAL—Philippines
SERVICE CONTRACT 54A and 54B

Location:	Palawan Basin, Philippines		
Area:	88,000 hectares	Operator:	Nido
Nido's Interest:	42.4% (Block A) 60% (Block B)	Opportunity:	Multiple small field development opportunities

Service Contract 54 is in a period of moratorium from 5 August 2014 to 5 August 2017. The moratorium provides both the Block A and Block B Joint Ventures sufficient time to study the presently sub-commercial areas and other areas of interest within the Service Contract. The Company continues to consider low cost development opportunities and other alternatives to maximise value from this asset.

SERVICE CONTRACT 63

Location:	Palawan Basin, Philippines		
Area:	1,067,000 hectares	Operator:	PNOC-EC
Nido's Interest:	20%	Activity:	Reviewing the remaining prospectivity of the block

During the quarter the DOE granted a three year moratorium and an amendment to the Sub-Phase 3 Work Program. The revised Work Program for the moratorium and Sub-Phase 3 is as follows:

Sub-Phase		Work Program and Budget
Moratorium (24 Nov 2015 to 24 Nov 2018) (3 years)	Year 1 (24 Nov 2015 to 24 Nov 2016)	Technical/Commercial Studies = US\$ 50,000 Geological and Geophysical Assessment (GG&A) = US\$ 30,000
	Year 2 (24 Nov 2016 to 24 Nov 2017)	Technical/Commercial Studies = US\$ 50,000 GG&A = US\$ 30,000
	Year 3 (24 Nov 2017 to 24 Nov 2018)	Technical/Commercial Studies = US\$ 50,000 GG&A = US\$ 30,000
SP3 (24 Nov 2018 to 24 Nov 2019) (1 Year)		Drill one (1) firm well = US\$ 6,000,000 and/or Drill one (1) contingent well = US\$ 6,000,000

A review of the remaining prospectivity of the block is currently ongoing.

EXPLORATION AND APPRAISAL—Philippines

SERVICE CONTRACT 58

Location:	Palawan Basin, Philippines		
Area:	1,349,000 hectares	Operator:	Nido*
Nido's Interest:	50% (Subject to completing farm-in obligation)	Opportunity:	Multiple prospects (exploration)

* Technical Operator during Farm-in. Nido interest subject to completion of drilling farm-in commitment well.

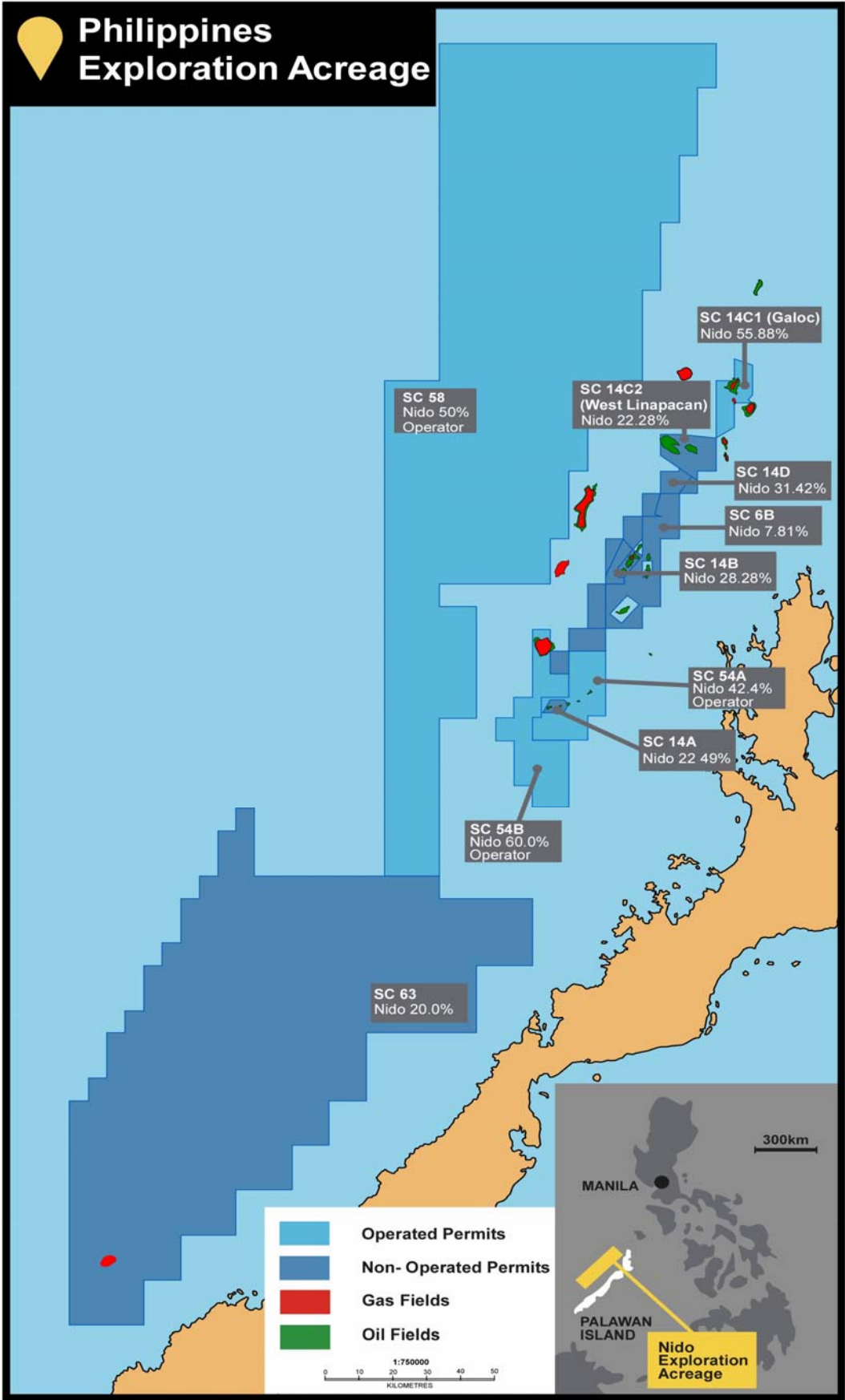
The Service Contract remains in a period of suspension pending the outcome of arbitration proceedings between the Philippines and the Peoples Republic of China over ownership of the West Philippine Sea in which SC 58 is located.

SERVICE CONTRACT 6B - BONITA

Location:	Palawan Basin, Philippines		
Area:	55,000 hectares	Operator:	Philodrill Corporation
Nido's Interest:	7.81%	Opportunity:	Re-evaluation of the prospectivity of the block

The Joint Venture has recently focused on maturing leads in the northern part of the block and the East Cadlao structure located to the east of the Cadlao oil field in SC 6. Reprocessing of the approximately 402 sq km of the existing TQ3D seismic survey has been completed and is under review by the Operator.

EXPLORATION AND APPRAISAL — Philippines



EXPLORATION AND APPRAISAL — Indonesia

BARONANG PRODUCTION SHARING CONTRACT

Location:	West Natuna Basin, Indonesia		
Area:	282,500 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00% (15%*)	Action:	Withdrawal from PSC

Nido is in the process of withdrawing from this Production Sharing Contract.

**Nido exercised its right to acquire an additional 5% working interest but this transfer of interest is yet to receive regulatory approval.*

CAKALANG PRODUCTION SHARING CONTRACT

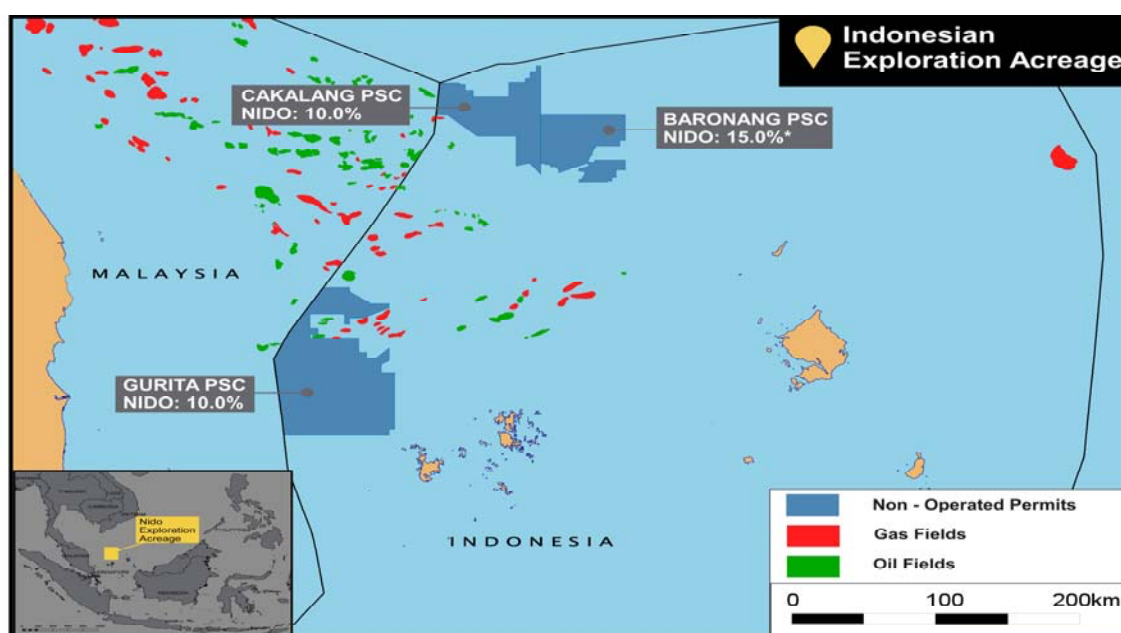
Location:	West Natuna Basin, Indonesia		
Area:	337,200 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00%	Action:	Withdrawal from PSC

Nido is in the process of withdrawing from this Production Sharing Contract.

GURITA PRODUCTION SHARING CONTRACT

Location:	Penyu Sub-Basin, Indonesia		
Area:	801,800 hectares	Operator:	Lundin Petroleum
Nido's Interest:	10.00%	Action:	Evaluating remaining prospectivity of the block

The Operator Lundin has advised Nido that it intends to withdraw from the PSC, subject to the receipt of any necessary regulatory approvals. There was no material operational activity in the Gurita PSC during the last quarter.



Appendix 5B

Mining exploration entity quarterly report

Report has been prepared in \$US

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

NIDO PETROLEUM LIMITED

ABN

65 086 630 373

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (3 months ending 31 March 2016) \$US'000
1.1	Receipts from product sales and related debtors	13,046	13,046
1.2	Payments for (a) exploration & evaluation	(572)	(572)
	(b) development	379	379
	(c) production	(10,697)	(10,697)
	(d) administration	(1,110)	(1,110)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	(4,373)	(4,373)
1.6	Income taxes paid	-	-
1.7(a)	Other – Put option derivative proceeds	898	898
Net Operating Cash Flows		(2,428)	(2,428)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	net of cash acquired	-	-
	(c) other fixed assets	-	-
1.9	Net Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(2,428)	(2,428)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,428)	(2,428)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc (net of costs).	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17(a)	Repayment of borrowings	(10,000)	(10,000)
1.17(b)	Payment for financing costs	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(10,000)	(10,000)
	Net increase (decrease) in cash held	(12,428)	(12,428)
1.20	Cash at beginning of quarter/year to date	17,531	17,531
1.21	Exchange rate adjustments to item 1.20	(10)	(10)
1.22	Cash at end of quarter	5,093	5,093

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$US'000
1.23 Aggregate amount of payments to the parties included in item 1.2	275
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil
1.25 Explanation necessary for an understanding of the transactions	
Represents fees paid to Directors, including the Managing Director salary.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available* \$US'000	Amount used \$US'000
3.1 Loan facilities	120,000	78,200
3.2 Credit standby arrangements	-	-

**Relates to the amount available under the revolving debt loan facility with Bangchak Petroleum Public Company which was revised on 11 March 2016 (original agreement signed 12 December 2014). The revised facility comprises two components – (i) up to USD \$120 million available under “Facility A” where the primary purpose is to fund the acquisition of oil and gas assets (as at the 31 March 2016 the balance drawn for Facility A was USD \$78.2 million); and (ii) up to USD\$4.0 million available under “Facility B” where the primary purpose is to provide additional financial support (as at the 31 March 2016 the balance drawn for Facility B was USD \$nil).*

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	(1,207)
4.2 Development	-
4.3 Production	(8,702)
4.4 Administration	(1,012)
Total	(10,920)

** Forecast cash inflows for the second quarter of 2016 include revenues from 1 lifting from the Galoc oil field at a working entitlement of 55.88% for the Nido Group.*

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	5,049	17,489
5.2 Deposits at call	44	42
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,093	17,531

Appendix 5B
Mining exploration entity quarterly report
Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	-	-	-	-
7.2	-	-	-	-
7.3	43,765,712	43,765,712	-	Fully paid

+ See chapter 19 for defined terms.

7.4	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	Performance Rights (performance rights issued pursuant to the terms of the Long Term Incentive Policy and Employee Performance Rights Plan)	Nil	Nil	Nil	Nil
	Managing Director Performance Rights (performance rights issued to the Managing Director with Shareholder approval – same terms and conditions as Employee Performance Rights Plan)	Nil	Nil	Nil	Nil
7.8	Issued during quarter	Nil	Nil	Nil	Nil

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.9	Exercised during quarter				
	Performance Rights (performance rights issued pursuant to the terms of the Long Term Incentive Policy and Employee Performance Rights Plan)	Nil	Nil	Nil	Nil
7.10	Expired during quarter	Nil	Nil	Nil	Nil -
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



..... Date: 21 April 2016

John Newman

(Company secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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